

EX PARTE OR LATE FILED

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16158.023

June 29, 1999

Ms. Kris Monteith, Chief
Competitive Pricing Division
Common Carrier Bureau
Federal Communications Commission
The Portals
445 12th St., SW, Room 5-A223
Washington, D.C. 20554

No. of Copies rec'd 0+4
List A B C D E

EX PARTE PRESENTATION

Re: Docket 96-128 Inmate Calling Services Remand Issues

Dear Ms. Monteith:

RECEIVED
JUN 29 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In its June 21, 1999 comments in this proceeding, the Inmate Calling Service Providers Coalition (Coalition) indicated that it would be filing information concerning the cost of providing inmate local collect calls and the state-imposed rate ceilings that in many instances prevent inmate calling service providers from recovering those costs. With this *ex parte* filing, the Coalition is supplying that information. Specifically, attached please find the following Exhibits:

1. Rates for a 12-Minute Local Inmate Collect Call and State-Imposed Rate Ceilings
2. Revenue and Cost Data for a 12-Minute Local Inmate Collect Call
3. Revenue and Cost Data for a 12-Minute Local Inmate Collect Call Assuming Actual BOC Commission Levels
4. BOC Confinement Facility Contracts and Bid Proposals Illustrating BOC Commission Levels

Exhibit 1

Exhibit 1 provides the rate for a 12-minute local inmate collect call in each of the 50 states (except Alaska). In each instance, the rate shown is the rate contained in the respective BOC's tariff. In the handful of states where the "local usage" portion of the rate has been detariffed, a market rate of \$.35 per call (exclusive of surcharge) is assumed. Rates range from a high of \$4.07 in Illinois to a low of \$.85 in Tennessee.

The Exhibit also shows whether a particular state has imposed a rate ceiling applicable to local inmate collect calls and, if so, describes the nature of the rate ceiling. Generally, the rate ceilings are set at the rate charged by the local BOC or the serving incumbent LEC for regular collect calls, and thus do not provide for recovery of the considerable additional costs of processing an ICS call. In six states (marked with an asterisk), the situation is even worse: the maximum surcharge for an inmate call is actually *lower* than the maximum surcharge allowed for a regular collect call, notwithstanding the higher cost of providing service in the inmate environment. Note that in those states where the rate ceiling is based on the serving ILEC rather than the BOC, actual rates may vary slightly outside of BOC serving areas.

Exhibit 2

Exhibit 2 shows the revenue and cost data reported by Coalition members for a 12-minute local inmate collect call for each of 13 states. The 13 states are those with the lowest-rated rate ceilings for a 12-minute inmate call (as shown on Exhibit 1), excluding Massachusetts, for which no data was available from any of the Coalition's members.

The revenue figure for each state is the BOC rate for a 12-minute inmate collect call from Exhibit 1. As detailed in that Exhibit, the BOC collect call rate in most cases is the maximum that an inmate service provider can charge for a call. In those states where the rate ceiling is based on the serving LEC as opposed to the BOC, the maximum rate could vary slightly for facilities served by non-BOC LECs.

The cost information provided is based on data from four of the Coalition's members, ranging from a relatively small provider doing business in only a few states to the largest independent provider of inmate calling services. The data represents a simple average of the information reported by the member companies, and is not weighted to reflect each company's number of lines in service. As indicated in the Exhibit, the data for most of the line items is an overall average across all 13 states.

In 12 of the 13 states, the data submitted by Coalition members reflects a loss on every local inmate collect call. The losses range from \$.01 per call in Pennsylvania to \$.50 per call in Tennessee. The average loss is \$.20 per call. In Arizona, the only state not to show a loss, the profit is \$.04 per call, before taxes.

Exhibit 3

The 30% commission figure used in Exhibit 2 represents a conservative consensus estimate of historical commission levels, which vary widely. It is the belief of the Coalition, however, that going forward, it is unrealistic to assume that it is possible to win facility contracts by offering commission levels of only 30%. The BOCs, because they

Ms. Kris Monteith
June 29, 1999
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continue to be able to subsidize their inmate operations in violation of Section 276, are able to offer commission levels well in excess of 40%.

The Coalition has obtained BOC facility contracts or bid proposals for four of the 13 states included in Exhibit 2. Those contracts and bids reflect BOC commission levels ranging from 41% in Tennessee to 55% in Alabama.

Exhibit 3 shows the increase in losses per call if the 30% estimated commission figure used in Exhibit 2 is replaced with the actual commission levels being offered by the BOCs in each of the four states in question. Losses range from \$.26 per call in Pennsylvania to \$.59 per call in Tennessee. The average loss jumps 235% from \$.20 per call to \$.47 per call.

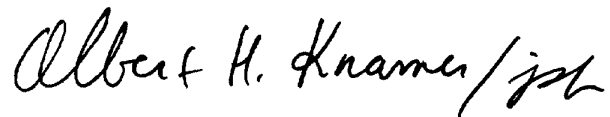
Exhibit 4

Attached as Exhibit 4 are the BOC contracts and proposals reflecting the 41% to 55% commission levels shown in Exhibit 3.

In order to ensure that all parties have an opportunity to respond to this *ex parte* supplement to the Coalition's June 21, 1999 comments, it is being served on all other parties who filed comments in this proceeding.

We hope that you and the staff find this information useful. If you have any questions, or if you would like additional data, please do not hesitate to call.

Very truly yours,

A handwritten signature in black ink that reads "Albert H. Kramer" followed by a stylized flourish or initials.

Albert H. Kramer

cc: Lynne Milne
Renee Terry
Calvin Howell
Al Barna
Jon Stover

Exhibit 1

Rates for a 12-Minute Local Inmate Collect Call and State-Imposed Rate Ceilings

Exhibit 1

Rates for a 12-Minute Local Inmate Collect Call and State-Imposed Rate Ceilings

	State	RBOC	Local Usage Rates			Collect Call Surcharge	Total Cost	Rate Cap?	Rate Cap Details
			Init. Min	Add'l Min.	Notes				
1	Illinois	Ameritech	\$ 0.14	\$ 0.13		\$ 2.50	\$ 4.07	No	
2	New Hampshire	B Atlantic	\$ 0.35	\$ 0.24		\$ 1.05	\$ 4.04	Yes	Capped at RBOC (Bell Atlantic) tariff rates
3	Indiana	Ameritech	\$ 0.35	N/A	rates detariffed -- \$.35 per call assumed	\$ 3.00	\$ 3.35	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
4	Wisconsin	Ameritech	\$ 0.35	N/A	rates detariffed -- \$.35 per call assumed	\$ 3.00	\$ 3.35	Yes	Capped at RBOC (Ameritech) tariff rates
5	Kansas	SBC	N/A	N/A	no per minute rate -- surcharge only	\$ 3.25	\$ 3.25	No	
6	California	SBC	\$ 0.35	N/A		\$ 2.90	\$ 3.25	No	
7	Maine	B Atlantic	\$ 0.35	\$ 0.14		\$ 1.30	\$ 3.19	Yes	Rates are not capped by rule, but PUC has never allowed a tariff rate higher than B Atlantic
8	Texas	SBC	N/A	N/A	no per minute rate -- surcharge only	\$ 3.00	\$ 3.00	Yes	All intrastate collect surcharges capped at \$3.75
9	Ohio	Ameritech	\$ 0.35	N/A		\$ 2.50	\$ 2.85	Yes	Capped at RBOC (Ameritech) tariff rates
10	Georgia	SBC	\$ 0.35	N/A		\$ 2.45	\$ 2.80	Yes	Capped at RBOC (SBC) tariff rates
11	Kentucky	SBC	\$ 0.35	N/A		\$ 2.25	\$ 2.60	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
12	Nebraska	US West	\$ 0.35	N/A		\$ 2.25	\$ 2.60	No	
13	North Dakota	US West	\$ 0.35	N/A		\$ 2.25	\$ 2.60	No	
14	Wyoming	US West	\$ 0.35	N/A		\$ 2.25	\$ 2.60	No	
15	Oklahoma	SBC	N/A	N/A	no per minute rate -- surcharge only	\$ 2.55	\$ 2.55	Yes	Capped at maximum rate of any certificated LEC in state
16	South Dakota	US West	\$ 0.35	N/A	rates detariffed -- \$.35 per call assumed	\$ 2.10	\$ 2.45	Yes	Capped at RBOC (US West) tariff rates
17	Michigan	Ameritech	\$ 0.35	N/A		\$ 2.05	\$ 2.40	Yes	Rates capped at 300% of average of carrier rates
18	Colorado	US West	\$ 0.35	N/A		\$ 1.85	\$ 2.20	Yes	Capped at RBOC (US West) tariff rates
19	Connecticut	B Atlantic	\$ 0.35	N/A	rates detariffed -- \$.35 per call assumed	\$ 1.75	\$ 2.10	Yes	Capped at RBOC (Bell Atlantic) tariff rates
20	Florida	B South	\$ 0.35	N/A		\$ 1.75	\$ 2.10	Yes	Collect call surcharges capped at \$1.75
21	Vermont	B Atlantic	\$ 0.35	N/A		\$ 1.65	\$ 2.00	No	
22	Missouri	SW Bell	\$ 0.35	N/A		\$ 1.60	\$ 1.95	No	
23	New York	B Atlantic	\$ 0.35	See note	init 3 min \$.35, \$.05 ea. add'l 2 min	\$ 1.30	\$ 1.90	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
24	New Mexico	US West	\$ 0.35	N/A		\$ 1.50	\$ 1.85	No	
25	Utah	US West	\$ 0.35	N/A		\$ 1.50	\$ 1.85	No	
26	Rhode Island	B Atlantic	\$ 0.35	See note	init. 5 min \$.35, \$.05 ea. add'l 3 min	\$ 1.35	\$ 1.85	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
27	New Jersey	B Atlantic	\$ 0.35	See note	init 4 min \$.35, \$.10 ea. add'l 4 min	\$ 1.26	\$ 1.81	No	
28	Arkansas	SBC	N/A	N/A	no per minute rate -- surcharge only	\$ 1.80	\$ 1.80	Yes	Capped at RBOC (SBC) tariff rates
29	Mississippi	SBC	\$ 0.35	N/A		\$ 1.44	\$ 1.79	Yes	Capped at RBOC (BellSouth) tariff rates
30	Montana	US West	\$ 0.35	N/A	rates detariffed -- \$.35 per call assumed	\$ 1.35	\$ 1.70	No	
31	Pennsylvania	B Atlantic	\$ 0.35	See note	init 10 min \$.35, \$.05 ea. add'l 3 min	\$ *1.30	\$ 1.70	Yes	Capped at RBOC (Bell Atlantic) tariff rates
32	Louisiana	B South	\$ 0.35	See note	init 5 min \$.35, \$.35 ea. add'l 5 min	\$ *0.63	\$ 1.68	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
33	Arizona	US West	\$ 0.35	N/A		\$ 1.30	\$ 1.65	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
34	Idaho	US West	\$ 0.35	N/A		\$ 1.30	\$ 1.65	No	
35	Iowa	US West	\$ 0.35	N/A		\$ 1.30	\$ 1.65	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
36	Minnesota	US West	\$ 0.35	N/A		\$ 1.30	\$ 1.65	Yes	Capped at RBOC (US West) tariff rates
37	Oregon	US West	\$ 0.35	N/A		\$ 1.30	\$ 1.65	No	
38	Alabama	SBC	\$ 0.35	N/A		\$ *1.25	\$ 1.60	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
39	Hawaii	GTE	\$ 0.35	N/A	rates detariffed -- \$.35 per call assumed	\$ 1.20	\$ 1.55	No	
40	Delaware	B Atlantic	\$ 0.35	N/A		\$ 1.10	\$ 1.45	No	
41	Nevada	SBC	\$ 0.35	N/A		\$ 1.00	\$ 1.35	Yes	Capped at RBOC (SBC) tariff rates
42	Massachusetts	B Atlantic	\$ 0.35	N/A		\$ 0.86	\$ 1.21	Yes	Capped at RBOC (Bell Atlantic) tariff rates
43	South Carolina	B South	\$ 0.35	N/A		\$ 0.84	\$ 1.19	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
44	North Carolina	B South	\$ 0.35	N/A		\$ 0.80	\$ 1.15	Yes	Capped at tariffed rates of prevailing ILEC for origination of call
45	Virginia	B Atlantic	\$ 0.35	N/A		\$ 0.75	\$ 1.10	No	
46	Washington	US West	\$ 0.35	N/A		\$ 0.65	\$ 1.00	Yes	Capped at maximum rate of any certificated ILEC in state
47	Maryland	B Atlantic	\$ 0.35	N/A		\$ *0.60	\$ 0.95	Yes	Capped at RBOC (Bell Atlantic) tariff rates
48	West Virginia	B Atlantic	\$ 0.35	N/A		\$ *0.60	\$ 0.95	Yes	Rates not capped by rule, but PUC has never allowed tariffed rate higher than Bell Atlantic
49	Tennessee	B South	\$ 0.35	N/A		\$ *0.50	\$ 0.85	Yes	Capped at RBOC (SBC) tariff rates

* The surcharge allowed on inmate calls is lower than the surcharge allowed on regular collect calls in these states.

Exhibit 2 provides cost data for the states shown in bold.

Exhibit 2
**Revenue and Cost Data for a 12-Minute Local
Inmate Collect Call**

Exhibit 2

Revenue and Cost Data For a 12-Minute Local Inmate Collect Call

	Alabama	Arizona	Iowa	Louisiana	Maryland
REVENUE¹	\$ 1.60	\$ 1.65	\$ 1.65	\$ 1.68	\$ 0.95
PHONE COMPANY CHARGES:					
SERVICE ²	\$ 0.17	\$ 0.06	\$ 0.14	\$ 0.15	\$ 0.07
BILLING AND COLLECTION FEES ³	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
VALIDATION ^{3 4}	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
OPERATING COSTS:					
SITE OWNER COMMISSION (30%) ⁵	\$ 0.48	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.29
UNBILLABLES (3%) ^{3 6}	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.03
UNCOLLECTIBLES (14%) ^{3 7}	\$ 0.22	\$ 0.23	\$ 0.23	\$ 0.24	\$ 0.13
MAINTENANCE & REPAIRS ^{2 3}	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
EQUIPMENT DEPRECIATION ^{2 3}	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
OVERHEAD:	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
TOTAL COSTS	\$ 1.69	\$ 1.61	\$ 1.69	\$ 1.71	\$ 1.29
PROFIT/(LOSS) PER CALL BEFORE TAXES	\$ (0.09)	\$ 0.04	\$ (0.04)	\$ (0.03)	\$ (0.34)

NOTES

¹ Flat and/or per minute charges for 12-minute call. See Exhibit 1.

² Recurring monthly charges were converted to per-call costs based on the average of 268 calls per month reported by Coalition members.

³ National average for all Coalition members reporting data.

⁴ Assumes that three calls are validated for every call that is completed.

⁵ Commissions vary widely; this number is a conservative estimate of the national average.

⁶ Unbillables are calls rejected by LEC for billing, generally because the called number has been converted to a CLEC.

⁷ Uncollectibles are bad debt resulting from fraud or failure to pay.

Exhibit 2

Revenue and Cost Data For a 12-Minute Local Inmate Collect Call

	Minnesota	Nevada	N. Carolina	Pennsylvania	S. Carolina
REVENUE¹	\$ 1.65	\$ 1.35	\$ 1.15	\$ 1.70	\$ 1.19
PHONE COMPANY CHARGES:					
SERVICE ²	\$ 0.20	\$ 0.07	\$ 0.20	\$ 0.14	\$ 0.14
BILLING AND COLLECTION FEES ³	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
VALIDATION ^{3 4}	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
OPERATING COSTS:					
SITE OWNER COMMISSION (30%) ⁵	\$ 0.50	\$ 0.41	\$ 0.35	\$ 0.51	\$ 0.36
UNBILLABLES (3%) ^{3 6}	\$ 0.05	\$ 0.04	\$ 0.03	\$ 0.05	\$ 0.04
UNCOLLECTIBLES (14%) ^{3 7}	\$ 0.23	\$ 0.19	\$ 0.16	\$ 0.24	\$ 0.17
MAINTENANCE & REPAIRS ^{2 3}	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
EQUIPMENT DEPRECIATION ^{2 3}	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
OVERHEAD:	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
TOTAL COSTS	\$ 1.75	\$ 1.47	\$ 1.51	\$ 1.71	\$ 1.47
PROFIT/(LOSS) PER CALL BEFORE TAXES	\$ (0.10)	\$ (0.12)	\$ (0.36)	\$ (0.01)	\$ (0.28)

Exhibit 2

Revenue and Cost Data For a 12-Minute Local Inmate Collect Call

	Tennessee	Washington	W. Virginia
REVENUE¹	\$ 0.85	\$ 1.00	\$ 0.95
PHONE COMPANY CHARGES:			
SERVICE ²	\$ 0.18	\$ 0.14	\$ 0.18
BILLING AND COLLECTION FEES ³	\$ 0.18	\$ 0.18	\$ 0.18
VALIDATION ^{3 4}	\$ 0.17	\$ 0.17	\$ 0.17
OPERATING COSTS:			
SITE OWNER COMMISSION (30%) ⁵	\$ 0.26	\$ 0.30	\$ 0.29
UNBILLABLES (3%) ^{3 6}	\$ 0.03	\$ 0.03	\$ 0.03
UNCOLLECTIBLES (14%) ^{3 7}	\$ 0.12	\$ 0.14	\$ 0.13
MAINTENANCE & REPAIRS ^{2 3}	\$ 0.09	\$ 0.09	\$ 0.09
EQUIPMENT DEPRECIATION ^{2 3}	\$ 0.11	\$ 0.11	\$ 0.11
OVERHEAD:	\$ 0.22	\$ 0.22	\$ 0.22
TOTAL COSTS	\$ 1.35	\$ 1.38	\$ 1.40
PROFIT/(LOSS) PER CALL BEFORE TAXES	\$ (0.50)	\$ (0.38)	\$ (0.45)

Exhibit 3

**Revenue and Cost Data for a 12-Minute Local Inmate Collect
Call Assuming Actual BOC Commission Levels**

Exhibit 3

Revenue and Cost Data For a 12-Minute Local Inmate Collect Call Assuming Actual BOC Commission Levels

	Alabama	N. Carolina	Pennsylvania	Tennessee
REVENUE¹	\$ 1.60	\$ 1.15	\$ 1.70	\$ 0.85
PHONE COMPANY CHARGES:				
SERVICE ²	\$ 0.17	\$ 0.20	\$ 0.14	\$ 0.18
BILLING & COLLECTION FEES ³	\$ 0.18	\$ 0.18	\$ 0.18	\$ 0.18
VALIDATION ^{3 4}	\$ 0.17	\$ 0.17	\$ 0.17	\$ 0.17
OPERATING COSTS:				
SITE OWNER COMMISSION ⁵	\$ 0.88 (55%)	\$ 0.53 (46%)	\$ 0.77 (45%)	\$ 0.35 (41%)
UNBILLABLES (3%) ^{3 6}	\$ 0.05	\$ 0.03	\$ 0.05	\$ 0.03
UNCOLLECTIBLES (14%) ^{3 7}	\$ 0.22	\$ 0.16	\$ 0.24	\$ 0.12
MAINTENANCE & REPAIRS ^{2 3}	\$ 0.09	\$ 0.09	\$ 0.09	\$ 0.09
EQUIPMENT DEPRECIATION ^{2 3}	\$ 0.11	\$ 0.11	\$ 0.11	\$ 0.11
OVERHEAD:	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
TOTAL COSTS	\$ 2.09	\$ 1.69	\$ 1.96	\$ 1.44
PROFIT/(LOSS) PER CALL BEFORE TAXES	\$ (0.49)	\$ (0.54)	\$ (0.26)	\$ (0.59)

NOTES

¹ Flat and/or per minute charges for 12-minute call. See Exhibit 1.

² Recurring monthly charges were converted to per-call costs based on the average of 268 calls per month reported by Coalition members.

³ National average for all Coalition members reporting data.

⁴ Assumes that three calls are validated for every call that is completed.

⁵ Commission percentages taken from BOC facility contracts and bid proposals attached as Exhibit 4.

⁶ Unbillables are calls rejected by LEC for billing, generally because the called number has been converted to a CLEC.

⁷ Uncollectibles are bad debt resulting from fraud or failure to pay.

Exhibit 4

BOC Confinement Facility Contracts and Bid Proposals Illustrating BOC Commission Levels

**BELLSOUTH TELECOMMUNICATIONS, INC.
INMATE TELEPHONE SERVICE AGREEMENT
(WITH CPE)**

This Inmate Telephone Service Agreement ("Agreement") is made by and between **BellSouth Telecommunications, Inc.**, having its principal place of business at 675 West Peachtree Street, Atlanta, Georgia ("the Company"), and **Baldwin County, Commission Court House**, by and thru Sheriff of Baldwin County, having its principal place of business at, Court House P.O. Box 1488 Bay Minette, Alabama ("Facility Administrator").

I. Term of Contract - This Agreement shall be in effect for three (3) years, commencing from the date of execution below. This Agreement shall be renewed for one (1) additional Three (3) year period after the original term, unless either party provides written notice of its intention not to renew this Agreement at least sixty (60) days prior to the expiration of the original or any renewal term. Such notice will be sent to the address set forth in Section VII ("Notices"). Following the duration of the original term and any renewal period(s), this Agreement shall be extended month to month until 30 days written notice is provided by either party.

II. Material - This Agreement applies to the provision of space by the Facility Administrator and granting the Company **exclusive rights** for the installation, operation and maintenance of Inmate telephones, enclosures, and associated equipment furnished by the Company, whether existing, newly installed, or renovated, located at all existing and any future locations owned, operated or managed by the Facility Administrator. The term "**Material**" is defined herein as the inmate telephone set and enclosure (if any), including but not limited to inmate operating equipment, site preparation, and customer premises equipment leased by the Facility Administrator for use in connection with Company's offering of Inmate Telephone Service. Where telephone sets, enclosures, inmate operating equipment, or other property of Company are installed upon the premises owned, leased or otherwise under the supervision of Facility Administrator, such property shall remain in all respects that of the Company. The Company reserves the right to remove or relocate **Material** which is subjected to recurring vandalism or insufficient local and intraLATA traffic, carried by the Company, to warrant the continuation of service. Such a right of removal or relocation shall not be exercised unreasonably by the Company. The Company will notify the Facility Administrator in writing of its intention to remove or relocate at least thirty (30) days prior to such action. Upon removal of **Material** by the Company, the Company shall restore said premise to its original condition, ordinary wear and tear excepted. However, the Company shall not be liable for holes placed in walls, pillars, or floors or other conditions on the premises which resulted from the proper installation of **Material** described herein.

III. Alterations and Attachments - Facility Administrator may not make alterations or place any attachments to Material provided by the Company under this Agreement unless agreed in writing by Company.

IV. Remuneration - The Company will install, operate and maintain all Material at no charge to Facility Administrator except as stated below. The Company will pay Facility Administrator, for space provided for the installation and operation of Material, remuneration based on 55% of BellSouth local and intraLATA toll money in the box and 55% of BellSouth 0+ and 0- dialed local and intraLATA toll billed revenues. Remuneration is subject to a minimum daily average revenue of \$4.00 calculated on a per station basis, plus Company will pay to the Location Provider \$91.80 per month. The Company will provide Facility Administrator with remuneration on a monthly basis commencing with the first collection and/or settlement period following the date of execution below. Such remuneration and compensation will be sent to the address designated by Facility Administrator.

Facility Administrator agrees that all charges and remuneration policies are subject to change as required by the applicable Public Service Commission or any other regulatory or judicial body with authority to mandate such changes, and that at no time shall any charge or remuneration policy differ from that allowed by any regulation or tariff of the applicable Public Service Commission or other such body whether such regulation or tariff is currently in existence or is hereafter made known.

- a. It is further understood that in the event any changes or modifications in any laws, rules, regulations, or tariffs materially alter the rights or obligations of either party hereunder, either party may, upon thirty (30) days written notice, terminate this Agreement.
- b. Facility Administrator further agrees to cooperate with Company to assist in any reasonable way to assure compliance with all laws, rules and regulations, federal, state and local requirements, including but not limited to, handicapped requirements. To the extent Company makes alterations, furnishes devices, or in any other ways provides for compliance with such requirements, any additional expenditures occasioned by costs of such compliance shall be reimbursed by Facility Administrator or deducted from Remuneration, otherwise payable under this Agreement, at Company's option.

During the term of this Agreement, including any renewal period(s), the Company shall recognize and protect the confidentiality of all information regarding inmate telephone station locations provided by Facility Administrator, including revenue and remuneration

paid to the Facility Administrator, and shall not disclose such information to any party other than Facility Administrator.

Company shall lease to Facility Administrator, and Facility Administrator shall lease from Company, certain **Material** consisting of customer premises equipment designated as printer and personal computer with all associated equipment and software for Facility Administrator's use in connection with the Company's Inmate Telephone Service offering, for the monthly rent of \$91.80 which shall include in the computation thereof all costs and expenses incurred by the Company in the provision thereof, including, but not limited to, cost of the equipment, applicable ad valorem taxes, shipping and installation charges, and maintenance fees. The Facility Administrator understands and agrees that the obligation to pay rent pursuant to this Section IV is absolute and unconditional and that such obligation is not conditioned upon or affected by any equipment warranty or the Company's performance of or failure to perform any warranty, maintenance, service or installation service, and that the Company's sole and exclusive liability in all situations involving defective **Material** or non-performance of warranty or maintenance services, regardless of the form of action, in contract or tort, including strict liability and or otherwise, will be the lesser of (i) actual direct damages, (ii) the Company's reasonable cost of repair or of non-conforming **Material** and/or any related software; (iii) the total **Material** price or the total maintenance fee applicable to the **Material**.

The Company may provide at the request of Facility Administrator a public defender line for inmates to make local calls to public defender telephone number(s) at no charge to the inmate. Such calls will be charged to Facility Administrator at the local message rate specified in the General Subscriber Services Tariff.

The Facility Administrator shall not publish or use any press releases or publicity matters which relate to the **Material** wherein Company's or its affiliated companies' corporate or trade names, logos, trademarks or service marks are mentioned or language from which the connection of said names or trademarks therewith may be inferred or implied, unless the Facility Administrator has first submitted such press releases or publicity matters to the Company for review and subsequently received Company's prior written approval.

V. Facility Administrator Agrees To:

- a. Not allow any other provider to install, operate, maintain or co-locate any inmate telephones or inmate systems, during the original term or any renewal periods of the Agreement, at Facilities covered under this Agreement.
- b. Advise the Company of any Facility that has been closed.
- c. To the extent permissible by law, use the Company as its exclusive agent in all matters relating to inmate telephone service.

- d. Reasonably protect the Material against willful abuse and report any damage, service failure or hazardous conditions to the Company.
- e. Provide necessary power and power source, and to provide suitable space, accessible to inmates for inmate telephone service, and further represents that it is authorized to provide said space.
- f. Permit the Company to display signs furnished by the Company upon mutual consent; and not to affix or allow to be affixed any other signs, equipment or information to the Material.
- g. Permit access to its respective facilities without charge or prejudice to Company employees or representatives, inmate telephone users, patrons or consignees.
- h. Comply with all federal, state and local statutes, rules, regulations, ordinances or codes governing or applicable to the telephone services offered by Company and any use of the customer premises equipment leased by Facility Administrator from Company.

VI. Choice Of Law - The construction, interpretation and performance of this Agreement and all transactions under it shall be governed by the domestic law of the State of Alabama.

VII. Notices - Any notice or demand which under the terms of this Agreement or under any statute must or may be given or made by either party shall be given or made by mail, postage prepaid, addressed to the respective party as follows:

To Company: BellSouth Telecommunications, Inc.
Room 100
75 Bagby Drive
Homewood, AL 35209

To Facility Administrator: Baldwin County Commission
By and Thru Baldwin County Sheriff
P.O. Box 1709
Bay Minette, Alabama 36507

VIII. Entire Agreement - This Agreement constitutes the entire Agreement between Facility Administrator and the Company and may not be modified or amended other than by a written instrument executed by both parties. Any orders placed by Facility Administrator hereunder shall incorporate the typed, stamped or written provisions of data found thereon and in subordinate documents so long as the typed, stamped or written provision of data merely supplement but do not vary the provisions of this Agreement. The Facility Administrator represents and warrants that it has the absolute and legal authority to make decisions concerning the provision of space for inmate telephones placed by the Company at the locations covered by this Agreement.

IX. Service Negotiation Rights - This Agreement shall not control or affect the right of the Facility Administrator to select a Long Distance Carrier for interLATA service, nor shall selection of a Long Distance Carrier for interLATA service in any way operate to affect this Agreement, except that in the event of legislative action or a regulatory or judicial decision which grants the Company the authority, Facility Administrator hereby grants the Company the right to select and contract, on the Facility Administrator's behalf, the local, intraLATA, and interLATA carrier selections for all pay telephones covered by this Agreement, provided however, that the Facility Administrator does not have an existing Agreement with another entity for interLATA services. In the event Facility Administrator has such an existing Agreement with another entity for interLATA services, and such existing Agreement for interLATA services terminates during the term of this Agreement between Facility Administrator and Company, then the rights granted by Facility Administrator to Company shall immediately become effective.

X. Relocation/Removal - Material shall not be moved, removed, rendered inoperable or unusable, or made inaccessible to inmates or users by Facility Administrator at the location in which it is installed. At the agreement of both parties, installed Material may be relocated by the Company.

XI. Title - Title to Material shall be and remain in the Company.

XII. Risk Of Loss - The Company and its insurers, if any, shall relieve Facility Administrator of all risks of loss or damage to the Material during the periods of transportation and installation of the Material. However, Facility Administrator shall be responsible for loss or damage to Material located on its premise caused by fault or negligence of Facility Administrator or its employees.

XIII. Default - In the event either party shall be in breach or default of any terms, conditions, or covenants of this Agreement and such breach or default shall continue for a period of thirty (30) days after the giving of written notice thereof to either party by the other, then in addition to all other rights and remedies of law or equity or otherwise, the offended party shall have the right to cancel this Agreement without charge or liability.

XIV. Assignment - In the event Facility Administrator sells, assigns or otherwise transfers ownership or control of location where Material is located to a successor, Facility Administrator agrees to secure assignment of this Agreement to such successor, with written consent of Company, which consent shall not be unreasonably withheld. In the event Facility Administrator does not secure such assignment to its successor, Facility Administrator shall be subject to pay Company damages to compensate for the failure to comply with this provision. This Agreement may be transferred or assigned, in whole or in part, by the Company to any parent, successor, subsidiary, or affiliated company of the Company.

XV. Liability - Facility Administrator acknowledges that it is an independent contractor and that this Agreement shall not be construed as a contract of agency or employment. Facility Administrator shall be solely responsible and liable for compliance with all laws, rules and regulations and payment of all wages, unemployment, social security and other payroll taxes relating to Facility Administrator's employees including contribution from such persons, when required by law. The Company shall not be held liable for interruption of telephone service from any cause. The Company's liability for payment of remuneration in the event of technical, computer or other difficulties resulting in the loss or unavailability of data necessary for calculation of remunerations shall be limited as follows: to an amount equal to the pro rata average daily remuneration for each day such data was lost or unavailable, in no event payable for less than 24-hour period, as calculated based on the previous six month's remuneration, or if that data is unavailable, based on the Company's reasonable estimate of the pro rata average daily remuneration lost. In no event shall any claim for consequential, special, reliance, punitive, or indirect damages be made by either party.

XVI. Indemnification - To the extent permitted by law Facility Administrator hereby agrees to release and indemnify the Company from any loss, cost, damage, expense, or liability arising in connection with the performance of this Agreement (including Facility Administrator's use of computerized customer premises equipment leased by it from the Company and, if applicable, obtained from third parties) and caused, in whole or in part, by the acts or omissions, negligent or otherwise, of Facility Administrator, except to the extent such loss, cost, damage, expense, or liability arises from the negligence of the Company. The Company holds the right to control litigation in the event of a legal claim being filed.

XVII. Conflict Of Interest - Facility Administrator acknowledges that no officer or employee of the Company has been employed, related, retained, induced, or directed by Facility Administrator to solicit or secure this Agreement with the Company upon agreement, offer, understanding, or implication involving any form of remuneration whatsoever. Facility Administrator agrees, in the event of an allegation of substance (the determination of which will be solely made by the Company) that there has been a violation hereof, Facility Administrator will cooperate in every reasonable manner with the Company in establishing whether the allegation is true. Notwithstanding any provisions of this Agreement to the contrary, if a violation of this provision is found to have occurred and is deemed material by the Company, the Company may terminate this Agreement.

XVIII. Supersede - This Agreement supersedes any existing Agreement between Facility Administrator and the Company.

XIX. Severability - If any of the provisions of this Agreement shall be invalid or unenforceable under the laws of the jurisdiction applicable to the entire Agreement, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of Company and Facility Administrator shall be construed and enforced accordingly.

**BELLSOUTH TELECOMMUNICATIONS, INC.
INMATE TELEPHONE SERVICE AGREEMENT
(WITH CPE)**

This Inmate Telephone Service Agreement ("Agreement") is made by and between BellSouth Telecommunications, Inc., d/b/a Southern Bell Telephone and Telegraph Company, and South Central Bell Telephone Company, having its principal place of business at 675 West Peachtree Street, Atlanta, Georgia ("the Company"), and Mecklenburg County Sheriff's Department, having its principal place of business at, 700 E. 4th Street, Charlotte, N. C. ("Facility Administrator").

I. **Term of Contract** - This Agreement shall be in effect until December 4, 1998, commencing from the date of execution below. An option is hereby granted to extend the terms of the contract for one (1) two-year period upon written notice, by the Sheriff, within ten days of taking the oath of office on or about December 2, 1998. Such notice will be sent to the address set forth in Section VII ("Notices"). Following the duration of the original term and any renewal period(s), this Agreement shall be extended month to month until 30 days written notice is provided by either party.

II. **Material** - This Agreement applies to the provision of space by the Facility Administrator for the installation, operation and maintenance of Inmate telephones, enclosures, and associated equipment furnished by the Company, whether existing, newly installed, or renovated, located at all existing and any future locations owned, operated or managed by the Facility Administrator. The term "Material" is defined herein as the Inmate telephone set and enclosure (if any), including but not limited to inmate operating equipment, site preparation, and customer premises equipment leased by the Facility Administrator for use in connection with Company's offering of Inmate Telephone Service. Where telephone sets, enclosures, Inmate operating equipment, or other property of Company are installed upon the premises owned, leased or otherwise under the supervision of Facility Administrator, such property shall remain in all respects that of the Company. The Company reserves the right to remove or relocate Material which is subjected to recurring vandalism or insufficient local and intraLATA traffic, carried by the Company, to warrant the continuation of service. Such a right of removal or relocation shall not be exercised unreasonably by the Company. The Company will notify the Facility Administrator in writing of its intention to remove or relocate at least thirty (30) days prior to such action. Upon removal of Material by the Company, the Company shall restore said premise to its original condition, ordinary wear and tear excepted.

However, the Company shall not be liable for holes placed in walls, pillars, or floors or other conditions on the premises which resulted from the proper installation of Material described herein.

III. Alterations and Attachments - Facility Administrator may not make alterations or place any attachments to Material provided by the Company under this Agreement unless agreed in writing by Company.

IV. Remuneration - The Company will install, operate and maintain all Material at no charge to Facility Administrator except as stated below. The Company will pay Facility Administrator, for space provided for the installation and operation of Material, remuneration based on 46% of BellSouth local and intraLATA toll money in the box and 46% of BellSouth 0+ and 0- dialed local and IntraLATA toll billed revenues. The Company will pay to the Location Provider \$1,200.00 per month. The Company will provide Facility Administrator with remuneration on a monthly basis or other, commencing with the first collection and/or settlement period following the date of execution below. Such remuneration and compensation will be sent to the address designated by Facility Administrator.

Facility Administrator agrees that all charges and remuneration policies are subject to change as required by the applicable Public Service Commission or any other regulatory or judicial body with authority to mandate such changes, and that at no time shall any charge or remuneration policy differ from that allowed by any regulation or tariff of the applicable Public Service Commission or other such body whether such regulation or tariff is currently in existence or is hereafter made known.

- a. It is further understood that in the event any changes or modifications in any laws, rules, regulations, or tariffs materially alter the rights or obligations of either party hereunder, either party may, upon thirty (30) days written notice, terminate this Agreement.
- b. Facility Administrator further agrees to cooperate with Company to assist in any reasonable way to assure compliance with all laws, rules and regulations, federal, state and local requirements, including but not limited to, handicapped requirements. To the extent Company makes alterations, furnishes devices, or in any other ways provides for compliance with such requirements, any additional expenditures occasioned by costs of such compliance shall be reimbursed by Facility Administrator or deducted from Remuneration, otherwise payable under this Agreement, at Company's option.

PROPOSAL

The proposed commission of gross revenues, per the specifications herein is 45%

Bidder must disclose their per rate charge(s) below and give, any detailed descriptions:

Bell Atlantic Response: Agree. Please see our tariff in TAB 5.

EXECUTIVE SUMMARY

Bell Atlantic Inc. is pleased to offer this proposal in response to the Cambria County request for Bids for Inmate Telephone Service and Inmate Recording System for the Cambria County Prison.

Bell Atlantic will act as the Prime Contractor and will be a single point of contact for ALL coin and inmate telephone services within the Cambria County Prison. Doug Mutton, Account Executive, will be Account Manager for the prison and also be the Project Manager throughout the implementation of the proposed inmate calling system.

Bell Atlantic will partner with T-Netix Corporation, Qwest Communications, Vine Corporation and provide Cambria County with the option of selecting either Dictaphone Corporation or Global Tel*Link for recording and monitoring functionality. Our established partnerships with these leaders in their field of expertise create a synergy unmatched by any competitor. The strength of these partnerships, and our expertise in the Correction Industry, offers the Cambria County Prison the highest quality, state-of-the-art inmate system and services in this industry. Cambria County will receive the benefits of these partners while providing a competitive steady flow of commissions.

Cambria County Prison Requirements

Cambria County Prison requires a unique Inmate Calling System which will ensure the following requirements are indeed achieved.

- Replace Inmate Telephone Instruments in forty-five (45) days
- Provide ALL Inmate Telephone Instruments, material and supplies
- Project Manger as a single point of contact
- Provide Professional System Training
- Year 2000 compliance
- Provide all necessary wiring in conduit
- 24 hour telephone access with 4 hour notification and complete repair in 72 hours
- Experience Maintenance Force
- Provide Local Exchange Service (Collect)
- Provide Intra and inter-LATA and Interstate Toll Services (Collect)

Bell Atlantic's response to the Inmate Telephone Service and Recording System will not only meet, but exceed Cambria County's objectives.

Cambria County Objectives

Cambria County's inmate system must be provided by an experienced vendor with a legacy of dependable service and the resources to service and administer an inmate calling system. It is also imperative this vendor has deployed inmate systems in multiple locations, and is known for upgrading their inmate service product line to bring the latest technology to its customers. Bell Atlantic can provide these advantages and more to Cambria County.

Our proposal offers Cambria County a comprehensive solution through our strategic partnership of T-Netix, Qwest, Vine Corporation and Dictaphone. Through the strength of these partnerships, and our expertise and experience in the Corrections Industry, Bell Atlantic offers the absolute highest quality, state-of-the-art inmate system and service in this industry while providing a competitive, steady flow of commissions to Cambria County.

Bell Atlantic, along with its partners, is prepared to meet and exceed the objectives of Cambria County.

Bell Atlantic Proposal

In performing our role as your sole point of contact, Bell Atlantic will manage ALL of the coin and inmate telephone services for the Cambria County Prison. Bell Atlantic will provide and maintain its telephone service in a quality fashion that has become legend in the communications industry.

Bell Atlantic will subcontract with Qwest, Inc. to provide all domestic interLATA calling services. Qwest's exceptional history in the provisioning of calling service at affordable rates, and providing value-added services substantiates their reputation in the industry as a carrier of choice. Qwest has a reputation for accurate and timely commissions.

Bell Atlantic, in partnership with T-NETIX, Inc. will provide an inmate call control system. *T-NETIX, Inc., one of the largest providers of inmate telephone services, has earned its reputation in the industry through their innovative solution to fraud with their patented three-way call prevention feature. This feature is the most fraud resistant of its kind on the market today.*

T-NETIX, Inc. processes approximately 20 million call transactions per month through 900 network and Customer Premises Equipment (CPE) systems across the United States. T-Netix is Bell Atlantic's strategic partner serving over 150 Correctional facilities from Maine to Virginia. The T-NETIX Inmate Calling System is a state-of-the-art system, providing the ultimate in inmate call control through specialized call processing, extensive administrative reporting and fraud control. T-NETIX's new inmate platform with an Oracle database and a "Windows 95" type interface provides a user-friendly product. This provides flexibility and integration of T-NETIX's system and will enable Cambria

County's to consider optional features for their inmate calling; such as a pre-paid (debit) service for international calling.

Dictaphone Corporation will provide digital recording and monitoring systems at Cambria County Prison. Dictaphone is a market leader in the field of voice processing. Bell Atlantic selected a partnership with Dictaphone Corporation because of its commitment, innovation and improved product performance, as well as setting the standard for customer service.

In this proposal, Bell Atlantic is offering a **new leading edge technology** which notifies victims of crime at no cost to the County. It is a service provided by the VINE Corporation (Automated Victim Notification Services). The notification process links police, prosecutors and corrections administrators to victims, providing quick, accurate, and direct communication. The moment that an inmate status changes, victims are notified, giving them sufficient time to take precautionary measures. Bell Atlantic is proposing to work with VINE and the County to integrate this technology into the Cambria County Prison.

Bell Atlantic will also provide descriptive literature for all inmate families explaining how the newly proposed inmate phone system operates. We suggest this literature be made available to the inmate families during visitation hours. This literature will briefly describe what can be expected when receiving a phone call from a prison facility. This service will also be at no cost to Cambria County.

The Cambria County Prison can be assured of a reliable, well maintained, high-quality system by selecting Bell Atlantic. Bell Atlantic can be counted upon for:

Reliability - Bell Atlantic's one hundred (100) year history of prompt and accurate installation and maintenance services has earned it the reputation of the market leader. Our existing base of approximately 400,000 public/inmate telephones clearly establishes Bell Atlantic as the leader in the public/inmate telephone business. Our experience and proven capabilities in the public and inmate telephone industry will provide Cambria County an investment-free revenue producing system of the highest quality.

Bell Atlantic provides over 13,500 inmate telephones from Maine to Virginia, a critical component when evaluating the capability of an inmate service provider. Bell Atlantic currently provides inmate telephone service to the state Departments of Correction in Massachusetts, Maine, Vermont, Rhode Island, Maryland, Delaware, New Jersey and Pennsylvania.

We are confident our solution to this Request for BIDS will exceed the Cambria County Prison's requirements without risk, an important issue to be considered when evaluating potential service providers. Bell Atlantic's extensive resources through local orientation enables us to closely monitor activities and have personnel immediately available to meet your needs.

Resources - Along with transforming itself into one of the largest telecommunications companies in the world, Bell Atlantic has assembled an array of vast resources - from customer service and support personnel to engineers and network architects. Bell Atlantic has over 141,000 employees from Maine to Virginia dedicated to customer care excellence.

We, at Bell Atlantic, value our employees as one of our greatest strengths. Our vast resources enable us to quickly respond to your every requirement. For example, *in Cambria County, Bell Atlantic technicians are County residents and taxpayers, locally assigned to a specific territory to be in close proximity to our customers.*

Service after the sale is a critical factor in evaluating business communication systems and selecting the one that best meets your requirements. The dedicated Account Manager, along with service management has the depth and breadth of Corrections experience you need.

We have implemented quality reviews to ensure we are meeting these levels of service by using an independent organization to conduct regular customer surveys. In 1997 our preferred customer surveys indicated an overall satisfaction level of over 99%.

Call Affordability - Bell Atlantic, T-NETIX and Qwest understands the needs of the Cambria County Prison in providing fair, predictable rates for families and friends of those accepting calls from your prison. Call rates to users of the Bell Atlantic team's inmate telephones for local, intraLATA, and interLATA calls will not exceed the tariff rates approved by the Public Utility Commission of Pennsylvania and the Federal Communications Commission. There will be no hidden or inflated surcharges on any calls wholly carried by the Bell Atlantic or the Qwest networks.

Commission Rate - Bell Atlantic recognizes Cambria County's need for a risk free revenue stream from its inmate service provider. Cambria County will never miss a commission payment. Our commissioning system is built with a back-up system to store historical data on previous month's records. In the event of a catastrophic event such as a major system failure, Bell Atlantic would use revenue and commission information from the previous month to ensure continuity in your monthly payments.

The Bell Atlantic team's commission percentages are applied to the revenue for all accepted calls billed to the customer. Commissions are calculated for each individual phone. Our compilation and calculation methods ensure accurate commission payments, on a monthly basis, to Cambria County.

Thank you for the opportunity to present this proposal. Bell Atlantic is confident the total solution concept we propose will not only meet, but exceed the Cambria County Prison's requirements for an inmate calling system and related services.

Acceptance of this proposal will guarantee the Cambria County an inmate call control system with unsurpassed marketing and managerial expertise, the continuation of premium, high quality, telephone service through a partnership with industry leaders, innovative technology through state-of-the-art systems, and a vast array of resources including:

- ** a dedicated team of technicians, customer service and sales personnel
- ** a competitive commission percentage
- ** guaranteed monthly payments

These attributes have earned Bell Atlantic the trust, confidence, and loyalty of its customers.

Cambria County has the Bell Atlantic's commitment *to work together with the County to provide an Inmate Telephone Service and Recording System meeting all requirements in this proposal.*

CONTROLLERS OFFICE

Ebensburg, PA

Separate and sealed bids will be received in the office of the County Controller until 3:00 P.M., Monday, December 28, 1998 and will be publicly opened at 10:00 A.M., Tuesday, December 29, 1998 in the Commissioners Conference Room for the following:

PHYSICAL & OCCUPATIONAL THERAPY SERVICES FOR WORKER'S
COMPENSATION RELATED INJURIES.

RFP'S FOR INMATE TELEPHONE SERVICE & INMATE RECORDING SYSTEM
FOR CAMBRIA COUNTY PRISON.

A bid bond, certified check, or cashiers check in the amount of ten percent (10%) of the total bid must be furnished with the proposal. No Personal Checks Permitted.

Bell Atlantic Response: Agree. The bid bond is attached in TAB 4.

The Commissioners reserve the right to reject any or all bids or to award the contract which in their judgment will best serve the interest of the County.

The County of Cambria actively encourages business enterprises owned and operated by minorities or women to submit bids for County contracts.

Albert M. Penksa, Jr.
Controller of Cambria County

**RESPONSE TO
HAMILTON COUNTY, TENNESSEE
REQUEST FOR PROPOSAL
FOR
INMATE TELEPHONES SERVICES
FOR THE
HAMILTON COUNTY JAIL**

BY

**BELLSOUTH TELECOMMUNICATIONS, INC
FOR THE PROVISION OF LOCAL AND INTRALATA INMATE
TELEPHONE SERVICE
AND
TELTRUST COMMUNICATIONS, INC.
FOR THE PROVISION OF INTERLATA SERVICES**

JANUARY 27, 1997

**BELLSOUTH PUBLIC COMMUNICATIONS
111 BAUER AVENUE
LOUISVILLE, KY 40207
502/893-4301**



BellSouth Telecommunications, Inc.
111 Bauer Avenue
Louisville, Kentucky 40207

January 27, 1996

Hamilton County Jail
Hamilton County Government
Office of the County Auditor
700 Newell Tower
Chattanooga, Tennessee 37402

Dear Evaluation Committee:

On behalf of BellSouth Telecommunications, Inc. and TelTrust, we would like to thank you for the opportunity to present our proposal for the installation and operation of inmate telephone service for the Hamilton County Jail.

Enclosed you will find a proposal for BellSouth Max, a state-of-the-art enhanced inmate telephone system. The BellSouth Max performs call processing normally associated with intelligent inmate phone systems such as: number blocks, call duration limits, time of day access, PIN access, PIN control of numbers, accounts, quiet detect, inmate voice, IXC call routing, SMDR call history, automated operator functions and a monitoring and recording system to allow the observation and recording of inmate conversations.

As a Bell Operating Company, we are currently restricted to providing local and intraLATA services. BellSouth and TelTrust have therefore teamed to provide a total response package. TelTrust will carry the interLATA and interstate services. Upon the event of regulatory, judicial or legislative decision which grants BellSouth the authority to provide interLATA interstate calling services, BellSouth Long Distance will replace TelTrust as the carrier. As your vendor, we assume total responsibility for all services presented. BellSouth's outstanding service record and professional dedicated personnel are additional reasons to consider our company as your inmate service provider.

We are also presenting two optional services for your consideration: The Vine ® Victim Information and Notification Everyday System. Vine ® is a fully automated service that alerts crime victims upon the release of an inmate and provides vital custody status information via the telephone. It is a proven service with many major locations in service. Security Rounds Monitoring System allows for the electronic recording of security round checks, using a hand held scanner, for the creation of an electronic log.

Please feel free to contact me if you have any questions about the proposal. I can be reached at 502/893-4301.

Sincerely,
A handwritten signature in black ink that reads "Michael Klausing". The signature is fluid and cursive, with the first name "Michael" and last name "Klausing" clearly visible.

Michael Klausing
Account Manager
BellSouth Public Communications



1/27/97

EXECUTIVE SUMMARY

BellSouth is proposing to Hamilton County Jail the finest in inmate call management solutions. The BellSouth MAX Inmate Telephone System will provide state-of-the-art computer technology for the call management and call control of inmate telephone service. MAX is feature rich with proven tested features that minimize fraud and illegal calling activities. MAX provides for comprehensive and informative reports that are an adjunct in inmate management.

BellSouth MAX Inmate System Benefits Correctional Management:

- Control inmate call activity by individual and or group.
- PIN controlled numbers
- Controlled numbers
- Call Duration Limit
- Time of Day Access
- Fraud Controls
- Customized call announcements to the called party
- Privacy for attorney and client conversations
- Recording and Monitoring of inmate calls.
- Information on called numbers, patterns, pre-escape call history
- Automated control over access time costs, fraud and harassment

BellSouth is regulated and therefore restricted from providing interLATA services. Therefore, BellSouth and TelTrust Inc. have teamed to provide a total package response. BellSouth will be providing the local and intraLATA service platform with TelTrust providing the interLATA service platform. Upon the regulatory and legal release which will grant BellSouth the authority to provide interLATA and interstate services, BellSouth Long Distance will replace TelTrust as the carrier. Together, you will have a seamless and integrated system solution provided by the two most reputable communications companies in the industry.

BellSouth is pleased to present two optional services for your consideration:

(1) *The Vine ® Victim Information and Notification Everyday System*. Vine ® is a proven leader in providing a turn key package solution in victim notification services. Vine ® is a fully automated service that provides vital custody status information via the telephone.

(2) *Security Rounds Monitoring System*. This system enables your personnel to create an electronic log of their assigned rounds using a handheld scanner.

BellSouth and TelTrust are known for quality of service and support. We will work closely with Hamilton County to assure a smooth and successful installation.

BellSouth will pay Hamilton County Jail a commission rate of 41% on local and intraLATA calls.

TelTrust will pay Hamilton County Jail a commission rate of 41% on interLATA calls.

CERTIFICATE OF SERVICE

I, Jacob S. Farber, do hereby certify that I have caused to be served by first class mail, this 29th day of June, 1999, copies of the foregoing *ex parte* upon the following persons:

Kris Monteith, Chief*
Competitive Pricing Division
Common Carrier Bureau
Federal Communications
Commission
445 12th St., SW, Room 5-A223
Washington, DC 20554

Renee Terry*
Common Carrier Bureau
Federal Communications
Commission
445 12th St., SW, Room 5-A364
Washington, DC 20554

Al Barna*
Common Carrier Bureau
Federal Communications
Commission
445 12th St., SW, Room 5-A360
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Utility Consumers' Action Network
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Cincinnati, OH 45202

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Calvin Howell*
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Jon Stover*
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Federal Communications Commission
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Washington, DC 20554

Jack B. Harrison
Frost & Jacobs LLP
201 East Fifth Street
Cincinnati, OH 45202

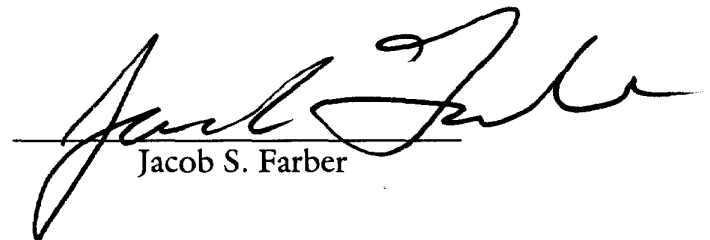
Lawrence Fenster
1801 Pennsylvania Ave., N.W.
Washington, DC 20006

*By Hand

Michael K. Kellogg
Aaron M. Panner
Kellogg, Huber, Hansen, Todd
& Evans, P.L.L.C.
1301 K St., N.W.
Suite 1000 West
Washington, DC 20005

Glenn B. Manishin
Elise P.W. Kiely
Blumenfeld & Cohen
1615 M St., N.W.
Suite 700
Washington, DC 20036

Casey B. Anderson
Mintz, Levin, Cohn, Ferris,
Glovsky and Popeo, P.C.
701 Pennsylvania Ave., N.W.
Washington, DC 20004



Jacob S. Farber